

**Village of Salado
Salado Municipal Building
301 N. Stagecoach
Salado, Texas
Minutes of Special Meeting of Board of Aldermen
March 12, 2019 at 6:00 p.m.**

The Board of Aldermen meeting was called to order at 6:00 p.m. by Mayor Skip Blancett.

Board Members Present: Mayor Skip Blancett, Mayor Pro-tem Frank Coachman, Aldermen Andy Jackson, Michael Coggin, and Michael McDougal.

Staff Present: Village Administrator Don Ferguson

Discussion and Possible Action

Discuss and consider possible action relating to the establishment of wastewater service rates for the Village of Salado Wastewater System. (*Village Administrator*)

Village Administrator Ferguson introduced Grady Reed of HDR Engineering who presented information on the following:

- Assumptions relating to initial connections, demand, growth, and expenses
- Customer classes (Residential, Non-Residential Low-Impact, Non-Residential High-Impact) and anticipated initial demand
- Projected system demands by customer class
- Projected revenue requirements/sources and expenses, including operations/maintenance, debt service, and operating capital/transfers
- Summary of monthly base rates and volume charges
 - Residential: \$20/\$8 per 1,000 gallons of water used
 - Non-Residential Low Impact: \$40/\$11 per 1,000 gallons of water used
 - Non-Residential High Impact: \$60/\$16 per 1,000 gallons of water used
- Use of winter month averaging to determine volume charge for residential customers
- Use of prior year water consumption data to determine volume charge for non-residential customers
- No rate increases for the first three years; impact of future growth, which would increase revenues and lessen possible rate increases
- Typical monthly bills
 - Residential: \$60 (5,000 gallons of water used per month)
 - Non-Residential Low-Impact: \$150 (10,000 gallons of water used per month)
 - Non-Residential High-Impact: \$460 (25,000 gallons of water used per month)
- Reserve Summary (projected percent of operating reserves)

Mr. Reed entertained questions covering the following topics: typical bill within normal range comparable to similarly sized systems; conservative projection of 3% growth in connections; impact of growth on impact fee revenues and rates; effect of rapid growth on rates and tax

contributions toward debt; revenues from monthly service fees intended to cover operations and maintenance; debt reduction; and winter month averaging for residential customers.

Discussion included conservative future growth projections; rate reviews; scheduled property owner meetings; and current water usage data.

Mayor Pro-tem Coachman moved to adopt the proposed rates for 2019-2020, to be reviewed after the data is collected for 2021 winter averaging, with the proposed rates be included in the ordinance to be presented to the Board at its meeting next week. Alderman Jackson seconded.

Discussion addressed opportunities to reduce costs; fixed rates for a 12-month period; ability to change rates, if needed; and customer grievance procedures.

Motion carried on a vote of 4-0.

Mayor Blancett said this is historic for Salado. Alderman McDougal commended Village Administrator Ferguson's expertise in moving the wastewater project forward.

Alderman McDougal moved to adjourn. Alderman Jackson seconded. Motion carried unanimously.

Adjournment

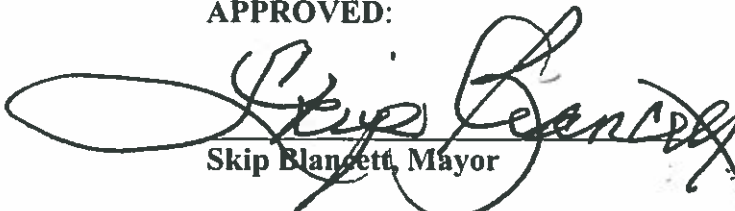
Mayor Blancett called the meeting adjourned at 6:40 p.m.

Recorded by:

Cara McPartland

These minutes approved on the 18th of April, 2019.

APPROVED:


Skip Blancett, Mayor

ATTEST:


Cara McPartland, City Secretary

